Minutes and Informal Instructions of the Open Meeting of Thursday, June 5, 2008 Page 2

5-UI-115 – Investigation into the Adoption and Achievement of Increased Conservation and Energy Efficiency Goals

1-IC-400 – Application for Intervenor Compensation Filed by Citizens' Utility Board for \$35,600 to Participate in Docket 5-UI-115

The Commission approved the request filed on behalf of the Joint Public Intervenors (Citizens' Utility Board, Clean Wisconsin and RENEW Wisconsin) for \$35,600 in intervenor compensation.

The Commission directed the Gas and Energy Division to draft an order consistent with this decision.

5-UI-116 – Investigation to Develop and Analyze Alternative Electric and Natural Gas Rate Design and Load Management Options which have the Potential to Reduce Emissions of Greenhouse Gases

1-IC-401 – Application for Intervenor Compensation Filed by Citizens' Utility Board for \$36,800 to Participate in Docket 5-UI-116

The Commission approved the request filed on behalf of the Citizens' Utility Board, RENEW Wisconsin and Clean Wisconsin for \$36,800 in intervenor compensation.

The Commission directed the Gas and Energy Division to draft an order consistent with this decision.

5-UI-114 – Investigation on the Commission's Own Motion Regarding Innovative Utility Ratemaking Approaches that Promote Conservation and Efficiency Programs by Removing Disincentives that May Exist Under Current Ratemaking Policies

1-IC-402 - Application for Intervenor Compensation Filed by Citizens' Utility Board for \$32,000 to Participate in Docket 5-UI-114

The Commission approved the request filed on behalf of the Joint Public Intervenors (Citizens' Utility Board, Clean Wisconsin and RENEW Wisconsin) for \$32,000 in intervenor compensation.

The Commission directed the Gas and Energy Division to draft an order consistent with this decision.

PUBLIC SERVICE COMMISSION OF WISCONSIN

Memorandum

May 16, 2008

FOR COMMISSION AGENDA

RECEIVED

MAY 2 8 2008

Commission

TO:

FROM:

The Commission

Robert Norcross, Administrator

Carol Stemrich, Assistant Administrator

Gas and Energy Division

Gordon Grant, Assistant Administrator

Division of Administrative Services

RE: Investigation into the Adoption and Achievement of

Increased Conservation and Energy Efficiency Goals

Application for Intervenor Compensation filed by Citizens'

Utility Board for \$35,600 to Participate in Docket 5-UI-115

#5

5-UI-115

1-IC-400

<u>Suggested Minute:</u> The Commission (approved/modified/denied) the request of the Joint Public Intervenors for \$35,600 in Intervenor Compensation.

On February 19, 2008, Governor Doyle's Global Warming Task Force released an interim report. The Task Force recommends a significant increase in the state's conservation and energy efficiency programs implemented pursuant to 2005 Wisconsin Act 141. A dramatic increase in energy conservation and efficiency is a critical first step in achieving early greenhouse gas reductions.

On April 3, 2008, the Commission issued a Notice of Investigation in docket 5-UI-115 into the adoption and achievement of increased conservation and energy efficiency goals. On May 13, 2008, the Citizens' Utility Board (CUB), along with Clean Wisconsin, and RENEW Wisconsin, filed requests to intervene in docket 5-UI-115.

CUB, Clean Wisconsin, and RENEW Wisconsin propose to work together in docket 5-UI-115 as Joint Public Intervenors (JPI) to provide the Commission with information and

expert comments on the economic, environmental, and public interest issues associated with this investigation. At this time, JPI envisions that Commission staff will issue a request for comments from interested parties on conservation and energy efficiency goals to be adopted; appropriate funding level to achieve the goals; portfolio of approaches to achieve the goals; and broadening the existing energy efficiency potential study. Therefore, this request for intervenor compensation is premised on the investigation not being a 'contested' case requiring the filing of expert testimony and legal briefs.

JPI requests intervenor compensation in the amount of \$35,600 to fund its participation in docket 5-UI-115, as set forth below.

Intervenor/Consultant	Hours	Cost
CUB @ \$75 per hour	38	\$ 2,850
Clean Wisconsin @ \$75 per hour	38	2,850
RENEW Wisconsin @ \$75 per hour	38	2,850
Cullen, Weston, Pines, & Bach @ \$175 per hour	62	10,850
Wisconsin Energy Conservation Corporation:		
George Edgar @ \$150 per hour	84	12,600
Wayne De Forest @ \$100 per hour	36	3,600
Total Request		\$35,600

Eligibility for Compensation

Wis. Admin. Code § PSC 3.02 (1) establishes five conditions for determining eligibility to receive intervenor compensation. Under that rule, a person seeking compensation must meet all of the following conditions:

PSC 3.02 (1) (a) A customer of the utility which is the subject of the proceeding; or someone who may be materially affected by the outcome of the proceeding.

- (b) Someone for whom full intervention in the proceeding would cause significant financial hardship without compensation from the Commission.
- (c) Someone who represents an interest material to the proceeding, which but for award of compensation would not be adequately represented.
- (d) Someone whose interest must be represented for a fair determination in the proceeding.

(e) Someone who has been granted full party status and who will participate in the proceeding as a full party.

JPI believes that a joint intervention in this proceeding by representatives of the major state organizations that advocate for ratepayer and environmental protection and the development of a sound energy policy is the most efficient and cost-effective way of presenting a collective public analysis of the issues presented in docket 5-UI-115. This joint intervention eliminates the need for three separate applications for intervenor compensation and the duplicative costs those requests for funding would include.

Commission Staff Analysis

To present information to the Commission in this investigation, JPI proposes to utilize the legal services of Cullen, Weston, Pines, & Bach (CWPB) to facilitate the development of JPI's comments and to analyze the positions taken in this investigation by other interested parties. The JPI also proposes to utilize the expert consulting services of Mr. George Edgar and Mr. Wayne De Forest of the Wisconsin Energy Conservation Corporation.

Specifically, Mr. Edgar and Mr. De Forest would:

- 1. Address the critical role of energy efficiency to mitigate future energy costs and global warming and provide substantial economic benefits to the state:
- 2. Describe the importance of a consistent comprehensive framework to capture cost-effective energy efficiency including the importance of program policy and designs and Measurement & Evaluation policy and protocols;
- 3. Propose conservation and energy efficiency goals for adoption by the Commission;
- 4. Propose an appropriate funding level to achieve the established goals;
- 5. Describe a practical and valuable portfolio of approaches to achieve ,the goals;
- 6. Suggest ways to enhance the value of existing energy efficiency potential studies; and
- 7. Present other issues that could increase the effectiveness and efficiency of overall energy efficiency efforts.

Mr. Edgar will include in his comments how other states have considered these issues.

JPI would meet with its attorney and consultants to review issues related to the adoption and achievement of increased conservation and energy efficiency goals, including: conservation and energy efficiency goals to be adopted; appropriate funding level to achieve the goals; portfolio of approaches to achieve the goals; and broadening the existing energy efficiency potential study. JPI would develop positions regarding these issues that protect ratepayers and the environment, and that promote reliable, affordable, and sound utility service. JPI would submit comments to the Commission regarding its positions related to the adoption and achievement of increased conservation and energy efficiency goals. JPI would also review comments of other interested parties on the adoption and achievement of increased conservation on other interested parties' comments or proposals. JPI also anticipates that it would attend meetings with Commission staff and/or interested parties to discuss positions and proposals regarding the adoption and achievement of increased conservation and energy efficiency goals.

JPI's budget for this intervenor request is shown above with hours and cost by intervenor or consultant.

As a result of both the Task Force recommendations and Act 141 requirements an energy efficiency potential study and a contested case process to determine goals, priorities, and budgets are components anticipated in this proceeding. Another component of both is the allocation of the energy efficiency dollars within different customer classes. This proceeding may also include a limited energy efficiency planning process and/or a comprehensive energy efficiency and renewable resource planning process.

As a result of this proposed process, the intervention of JPI should not duplicate the work of Commission staff nor any other party. If the Commission determines that the intervention of JPI is necessary to provide a complete discussion of the issues in this proceeding, the

Commission could find that the estimated hours are excessive or that the combined estimated hours for CUB, Clean Wisconsin, and RENEW Wisconsin represents duplication.

Commission Alternatives

Commission staff offers three alternatives for the Commission to consider regarding this application:

Alternative One: The Commission could approve JPI's full request of \$35,600 if it believes that JPI's involvement will provide another valuable perspective on the issues it proposes to address in this proceeding.

Alternative Two: The Commission could approve the request for intervenor compensation, but modify the amount to reduce the number of hours estimated or to eliminate any duplication as a result of having three parties addressing the same perspective on the issues.

Alternative Three: The Commission could deny JPI's request for intervenor compensation entirely. The Commission could choose this alternative if it believes that JPI's involvement will not provide another valuable perspective on the issues it proposes to address in this proceeding.

Intervenor Compensation Fund Status

The Commission has \$289,410 in funding remaining for compensation awards for FY 2008, ending on June 30, 2008. CUB has filed five requests for funding for five different cases, including this one. If the CUB's request of \$225,135 for all cases is approved then a total of \$64,275 will remain available in the fund. Beginning on July 1, 2008 (FY 09), a new appropriation of \$750,000 will be available for intervenor funding. Attachment 1 shows the fund actions for the entire fiscal year.

RDN;CAS:mem:l:\Global Warming Dockets\5-UI-115\1-IC-400 Memo.doc
Attachment

FISCAL YEAR 2008 INTERVENOR FINANCING REPORT

Intervenor	PSC			Date	Amount	Amount	
Docket #	Docket #	INTERVENOR	PO No.	Rqstd	Rqstd	Appvd	
1-IC-386	137-CE-146	Citizens for Responsible Energy		5/30/2007	54,850	WITHDRAWN	
1-IC-389	137-CE-146	Hillside Heights Neighborhood Assoc.	•	6/13/2007	16,573	12,000	
1-IC-383 Supl. 1	6680-CE-171	Citizens Utility Board		7/9/2007	5,335	5,335	
1-IC-390	4220-UR-115	Citizens Utility Board		7/21/2007	25,395	25,395	•
1-IC-391 Amended A 05-UR-103		Clean Wisconsin		8/20/2007	55,265	20,000	
1-IC-392	05-UR-103	RENEW Wisconsin		8/7/2007	4,800	4,800	
1-IC-393	6630-CE-299	Citizens Utility Board		8/30/2007	159,198	120,000	
1-IC-394	6680-CE-170	Citizens Utility Board		2/21/2008	117,380	99,960	
1-IC-395	6680-CE-170	Clean Wisconsin		2/22/2008	151,160	101,000	
1-IC-396	6680-CE-170	RENEW Wisconsin		2/25/2008	32,000	10,000	
1-IC-386 Supl.1	137-CE-146	Hillside Heights Neighborhood Assoc.		3/6/2008	7,720	Denied	
1-IC-397	05-TI-1777	Citizens Utility Board		3/31/2008	62,100	62,100	
1-IC-398	6690-UR-119	Citizens Utility Board		5/15/2008	51,120	PENDING	
1-IC-399	6680-UR-116	Citizens Utility Board		5/15/2008	69,615	PENDING	
1-IC-400	05-UI-115	Citizens Utility Board		5/15/2008	35,600	PENDING	
1-IC-401	05-UI-116	Citizens Utility Board)	5/15/2008	36,800	PENDING	
1-IC-402	05-UI-114	Citizens Utility Board		5/15/2008	32,000	PENDING	
1-IC-403	05-TI-1777	TeleTruth WI		5/20/2008	40,285	PENDING	
					·		
						·	

BUDGET \$ 750,000

UNALLOCATED REMAINING \$ 289,410

TOTAL PENDING CASES FROM ABOVE \$ 265,420

Totals to Date

REMAINING FUNDING IF PENDING APPROVED

\$ 23,990

460,590

957,196